are of Utah School and Institutional

Michael O. Leavitt Scott Hirschi

355 West North Temple 3 Triad Center, Suite 400 Salt Lake City, Utah 84180-1204 801-538-5508 801-355-0922 (Fax)

July 5, 1995

John Holfert Utah Mineral and Fossil Incorporated 997 North Chapel Drive # 4 Bountiful, Utah 84010

RE: Notice of Intent to Commence Mineral Exploration/Mining Operations, ML-33042 & ML-33388 5/023/047

Dear Mr. Holfert:

Thank you for submitting your Notice of Intent to Commence Mining, received on June 20, 1995, for operations on the above referenced Gemstone leases.

As per our conversation of today, I have reviewed the School and Institutional Trust Lands Administration (SITLA) lease files and have found that you do have in place a cashiers check in the amount of \$2,000.00 to cover reclamation and other obligation under the above referenced leases.

As your Notice of Intent is in order and you have placed sufficient funds at SITLA's disposal to cover the cost of reclamation for approximately one-half an acre of disturbance, you may commence with your operation as planed. Should your activity exceed more that one-half an acre you may be required to submit additional surety for reclamation of those lands.

Sincerely,

William M. Stokes

Minerals Resource Specialist

cc: Tom Munson, DOGM

